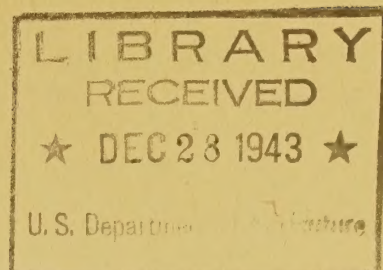


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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY
Washington 25, D. C.

November 20, 1943

To: State Committees, East Central Region
From: Director, East Central Division
Subject: Notes of Steering Committee Meeting



In accordance with your request there are attached notes
of the Steering Committee meeting held in Washington
November 11, 12, and 13.

Attachment

/s/ Chas. D. Lewis

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.
January 11, 1911

January 11, 1911

To: Hon. Charles D. Smith, House of Representatives
From: Director, United States Department of Agriculture
Subject: Report of the Special Committee on the
Investigation of the Sugar Industry in the
United States

In accordance with the order of the House of Representatives
of the 61st Congress, passed July 1, 1909, the Special Committee
on the Investigation of the Sugar Industry in the United States
has the honor to submit to you the report of the committee.

Very respectfully,
[Signature]

John C. Smith, Secretary

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NOTES OF STEERING COMMITTEE MEETING
Washington, D. C., November 11, 12, 13

1. It was unanimously agreed to defer all telephone calls coming in from States until the noon hour period, 12:30 to 2:00.
2. Mr. Lewis outlined the responsibilities of the AAA under War Board Memorandum No. 31. The question of available funds necessary to do the job was discussed at length. It was pointed out that a limited amount of funds that would have been used for purposes of the War Boards will be available but, in any event, the responsibility of the AAA is to get the job done. The new arrangement will not lessen the load for AAA.
3. All subcommittee members previously named by War Boards will be subject to approval of the AAA State and county committees.
4. The responsibility of the AAA Chairman under the new set-up is (a) to bring all members of the AAA Committee up to date on War Board work; (b) to emphasize the need for full committee responsibility with respect to the work; (c) to inform all members of the AAA Committee concerning the work and personnel of subcommittees appointed by the War Boards. Following this, the respective State and County AAA committees will decide whether or not the same personnel should continue to serve on the subcommittees. The chairman will also continue the functions of War Boards as a coordinating body for purposes of discussing subjects of specific and general nature and to carry out assignments made by the War Food Administration.
5. A suggestion was made and unanimously approved that the War Food Administration, through Mr. Nelson or some other person, should request a report from War Boards concerning the extent to which the public has, is, and will continue to be given facts concerning the effect of inflation on Agriculture and the general public.
6. All future memoranda pertaining to AAA assignments under Memorandum No. 31 will channel through the AAA regional and State offices in the same manner as regular AAA memoranda.
7. It was agreed that a letter should be forwarded to the various subcommittees informing them of the change necessitated by Memorandum No. 31 and asking that various committee members continue to function in the same way as before; or if changes in committee personnel are necessary, so inform each committee.
8. States requested that they be furnished the names of various persons here who will handle special phases of war emergency work or services in order that communications may be channeled direct.
9. Discussion on the question of establishing Special Service Section similar to Program Operations Section of AAA at present. Some States now have a special War Board assistant. Others make special assignments to individuals. A decision was deferred until later.
10. Methods being used to keep local committees informed:
Maryland.--Newsletter twice monthly from State office to county and community committeemen and other State leaders. In addition, a column in newspaper is carried in most papers weekly for the public. Fieldmen meet 1st and 3rd Mondays with State Committeemen. Possibly meetings of community committeemen will be held following elections.

Delaware.--Special letters go to the county committees. No newsletter.

Virginia.--Newsletters twice monthly from State office to county and community committees. Plan to get community committees together after election.

West Virginia.--Newsletter twice monthly from State office to county and community committeemen. Plan to get community committees together soon.

North Carolina.--Newsletter to county committees twice monthly. The county committee sends letters to community committeemen. Can Newsletters be forwarded to county commissioners, VO-Ag teachers, and others? Yes. Plan to hold a series of meetings with newly elected committeemen after election to discuss Agricultural Conservation Program, War Board work, and tobacco allotments. State goals have been broken down into preliminary county goals. Meetings are scheduled for discussing county goals.

Kentucky.--Newsletter twice monthly from State Committee to community committeemen. A series of meetings of community committeemen and others is now being held. The fieldmen and members of AAA committees contact committeemen in counties.

Tennessee.--Newsletters go from State to counties and from county to community committeemen. Plan to get committeemen together after election.

Friday, November 12

Crop Insurance Discussion

Mr. Wright discussed the various bills and proposals being considered now for restoring crop insurance. The bill most freely discussed was the Fulmer bill, No. H. R. 3364, which in brief provides for insurance on a cost of production basis on war crops (Irish potatoes, sweetpotatoes, peanuts, soybeans, dry beans, dry peas, flax, and hemp) and basic crops (corn, cotton, wheat and tobacco). Producers would be insured for 75 percent of losses resulting from unavoidable hazards. It is thought that cost of production on basic crops would be determined for different counties and areas by county committees. Losses would be adjusted on the basis of individual costs, for example: \$100 cost of production - receipts from sale of crop \$50.00 - loss \$50.00 - indemnity 75 percent of \$50.00, or \$37.50. No premiums would be charged for war crops. Premiums on basic crops would be computed as in the past. However, 50 percent of the premium would be paid by the Government and 50 percent by the producer. Sales campaigns would be necessary on basic crops. War crops would be automatically covered. Capital investments would not be included in production costs.

It is the general feeling of people within the Region that insurance on a yield basis would be more attractive than on a cost of production basis. However, past experience on the yield basis produced many administrative problems. The discussion indicated that some form of coverage, including cost for labor, equipment, fertilizer, etc., together with land rental or capital investment, should be considered. A further discussion indicated that land use costs should be included in any crop insurance program. Some expressions indicated a desire for a tobacco insurance program that would provide coverage on both yield and quality. It was developed that production costs on tobacco average from \$130 to \$150 an acre. Pre-

miums charged by old-line insurance companies for flue-cured tobacco average about \$7.50 an acre for both hail and fire insurance.

Dairy Feed Payment

Maryland.--Organized in all counties. County committees contacted banks to explain program. County letters to all producers. Dates on which producers may come to a point for payment were set. Members of county committee are located at convenient points for making quick payments. Some opposition. Some drafts are being mailed to producers. Most people pleased. State Farm Bureau President likes it. State Grange opposed to it.

Delaware.--Notices from county office to producers. Had chairmen of community committees in for instructions and will be at points in community to assist producers. Will mail draft upon receipt of application. State Grange opposes program.

Virginia.--Everybody likes procedure. Meetings indicate generally good attitude. Milk associations do not like it. All counties are prepared to handle program. Some counties have issued drafts. Letters have been sent from county office to all producers.

West Virginia.--Several payments have already been made but by November 15 a large number will have been made. All dairy counties are set up and ready. Two areas have indicated opposition to program. Extension editor prepared information for the press while county offices mailed letters to producers.

North Carolina.--Program progressing satisfactorily. Many counties have made some payments. Some opposition, but dairy people taking checks. Letters from county office to producers in addition to regular press service.

Kentucky.--No opposition. Had some trouble with banks, but it has been corrected.

Tennessee.--No opposition. Made some payments in most counties. All counties mailed letters to producers in addition to regular publicity.

Some States will have trouble getting all applications in by November 30. Some extension of time may be needed. All States should keep this office informed as to the progress being made in making payments. If extension of time is needed, let us know.

What about payments under other applicable programs being made in the same manner? Example, Tomato Canning Program--States divided. Some think payments should be made to canners. Others think payments should be made to farmers direct. Some members favor payment direct to farmers because of the feeling generally that farms do not get full benefits, although very little thought has been given to the subject.

See if information can be had indicating the extent to which other industries are now being subsidized--Aluminum Companies, etc.

The Feed Situation

Expressions indicate that the feed situation is serious in all States of the region. Feeders and mixers are experiencing a serious shortage of feed ingredients. It was agreed that something must be done immediately to effect a more equitable distribution of protein meal so that (1) farmers could obtain some meal to mix with home-grown feeds in order to balance the feed ration, and (2) local mixers may obtain meal in order to utilize other available feed ingredients to the best advantage.

The proposed amendments to the Oil Feed Order No. 9 were presented and discussed in detail. A meeting of feeders, mixers, and processors of oil feed mills was announced for Monday, November 15, 1943, for the purpose of discussing amendments to the Oil Feed Order. The group elected G. T. Scott, Chairman, North Carolina State AAA Committee, to represent the region at the meeting.

Hog Marketing Glut

Press release read. Various proposals are being made. The proposal to support the price should be enforced. Also, the proposal to permit farm slaughter for packing and later sale would help. Most markets are overloaded with hogs. If the support price at all points could be established and posted it would help. Many local markets do not know what the support price is at their places of business.

Maryland.--No trouble. Importing State. If prices are to be supported that fact must be made known in order to bring about orderly marketing.

Delaware.--No trouble. Importing State.

Virginia.--Market in chaotic condition.

West Virginia.--Import lots of feed. We have preached, "Feed the hogs." Now they are ready for market; the markets are glutted. Increased farm slaughter and packing for sale later will help.

Kentucky.--Few difficulties experienced so far.

Tennessee.--Markets glutted. It would help morale of farmers to remove slaughter permits. If support prices were really working it would help. The feed shortage is such as to aggravate the situation.

General discussion.--If all restrictions were removed poorer people would buy one or two hogs. This would relieve the situation. This would cause a howl, however, among consumers but would help a lot.

Some think it would help if restrictions were removed just for a limited time. To lower point value and remove slaughter restrictions would help a great deal.

Farm Machinery

Reports indicated that all States failed to receive allocations of Schedule I machines in line with the WFA publicity. The publicity was of such nature as to lead the States to expect approximately twice as much total machinery to

be available in 1944 as compared with 1943. The conditions in Virginia, North Carolina, and Tennessee appeared to be worse than in other States, although each State reported a definite problem on at least two or three items of machinery. Tractors, pick-up balers, side delivery rakes, dump rakes, corn pickers, corn binders, combines, and hay loaders appear to be the most critical items in the region. Mr. Meeker and Mr. Needler of OMF were present during the discussion and suggested that the States should present written summaries of the situations as a basis for possible allocations from the 20 percent national reserve.

North Carolina, Virginia, and Tennessee reported that some of the county distributions submitted by manufacturers were unsatisfactory in that machinery was being concentrated in the counties in which the dealers are located. The best solution to this appeared to be to contact the manufacturers on their distribution and attempt to work out a more appropriate distribution.

Saturday, November 13

Price Support Recommendations

Keep in mind the President's hold the line order.

Irish Potatoes.--OPA is considering a change in price ceilings. The change is from area to national except California - in general the ceiling will be about 10 cents per hundred higher than last year. Ceilings on certified seed, \$1.00 higher than table stock. Other seed, 50 cents higher. It cost farmers about \$2.38 per hundred to produce potatoes in 1943. RACC loans encouraged larger plantings in 1943. The support price was higher than prices have been in previous years. Recommendations for 1944 - support price should be \$2.40 to \$2.50 per 100 pounds.

Sweetpotatoes.--Support price should be at least 10 to 20 cents per bushel higher than last year; however, the spread for storage should be greater than last year in order to encourage storing. Support price should be \$1.25 per bushel at harvest time.

Peanuts.--Support price should be 9 cents per pound in order to attain goal. Tennessee reds should be reclassified to a higher grade.

Soybeans.--Support price should be about 20 cents up compared to last year.

Tomatoes.--Growers will be slow to contract in 1944 as result of experience this year. Support price should be from \$25 to \$30 per ton.

Peas.--Price should be \$92.50, which reflects increase in cost of seed.

Corn.--Price should be \$19 per ton.

Snap Beans.--Support price should be \$90 per ton.

Fresh vegetables (13 crops).--If the support price is higher than for processing vegetables farmers will get in trouble. The support price should be lower than for processing vegetables. Ceiling prices will be placed on fresh vegetables; therefore, there should be a support price. Maryland want support price but would wait until supports are placed for processing vegetables. All States favor a support price.

County Production Goals, Training Meetings, and Farm Plan Contracts

The 1944 Farm Plan will be available to States about December 1. Applications for materials (Form ACP 64) will be available to States about December 15. Price supports will not likely be available until after December 1.

Maryland.--Goals not yet broken down, but will be soon. Plan to call all county committeemen to one meeting to discuss county goals. Representatives of other agencies will be invited. Planning to contact farmers at same time as second milk checks are delivered. Community committeemen will be invited to the county office about January 15 for educational training. Contact work after January 15.

Delaware.--Call county committees to one meeting about November 22 to discuss county goals. Planning to hold county meetings after November 29, following election.

Virginia.--County goals not broken down. Doubt if work can be completed by December 1, but will be soon thereafter.

West Virginia.--State goals not yet broken down to all counties but will be soon. Will send out goals about December 1. Training meetings for local committeemen will be held following committee election on December 3 and 4. Farm Plan contacts will begin about January 1.

North Carolina.--Suggested county goals have been furnished county committees. Series of county meetings scheduled beginning November 15. All agencies represented. County goals will be agreed upon at these meetings. Following committee elections, county meetings will be held with community committees present to discuss Farm Plan and other phases of work. Contacts will start about January 1. An effort is being made to combine a number of jobs into one meeting (tobacco allotments, etc.).

Kentucky.--State goals to counties by last of November or soon after. Farmer contacts will begin January 1. War Board agreed to go out on educational work. County meetings will follow for training community committeemen.

Tennessee.--Committees breaking down State goals. Will go to counties after November 19. Expect returns within 10 days thereafter. Meetings on goals will be held during December with all agencies. Farm contact will be made after January 1.

Farm Plan Sheets

No sheets other than the 1944 Farm Plan and an application for conservation materials will be required in connection with farmer contacts. If States want other forms it is up to them. A summary should be made. Use the plan for summarizing by crop.

Proposed State formulas for computing farm allowance were discussed. No objection to the proposed formulas.

Application for payment

Dairy program does affect the flow of applications in most States. Some State are having difficulty in getting help.

North Carolina will move applications pretty fast. All States want to get payments out as fast as possible. If an application is filed for an amount

less than \$1.00 we will pay it but no effort should be made to get the producer to file in those cases.

The Bulletins, ECR-801, should be mimeographed and not printed. Regional office to mimeograph one run for each State. After that is done the State will mimeograph a number sufficient to meet needs.

Used Trucks

State representatives met with Mr. Melvin Soper and Mr. Grimm of the Properties Utilization Branch of the Treasury Department and heard outlined the procedure that can be followed to arrange negotiated sales of surplus Government-owned trucks to individual farmers or persons hauling agricultural supplies or products, such as lime and phosphate. The procedure is about as follows:

1. The applicant for a truck should first locate the truck; make certain that it has been declared "surplus" to the Treasury Regional Property Officer; find out what agency owns it; obtain the declaration number and item number on the Treasury listing; and obtain all other identifications which will be helpful to the Treasury in identifying the truck on the Treasury records.
2. Applicants from Virginia, Maryland, or Delaware should then write a letter to Mr. Warren B. Leland, Used Equipment Branch, Redistribution Division, War Production Board, 3rd and Indiana Avenue, N. W., Washington, D. C. (for other States the name and address are being obtained and will be furnished later), requesting clearance for a negotiated sale. Applicants should also enclose a letter from the State Committee to the WPB man, justifying and recommending the release of the truck to the applicant. No price offer should be made to the WPB man, but the letter should contain the item and declaration numbers, the location of the truck, as complete a description of the truck as possible, and most important of all, should describe the applicant's business, the use to which the truck will be put and the importance to agricultural production.
3. At the same time, applicants from Virginia, Maryland, or Delaware should write to Mr. John D. Fox, Chief Property Officer, Treasury Department, 1229 20th Street, N. W., Washington, D. C., enclosing copies of his letter to WPB and of the State Committee's recommendation. This letter should contain about the same information as the letter to WPB, but if possible, should include a specific offer for the truck, and should request that the truck be set aside and reserved for him. For Kentucky and West Virginia, the applicant should write to Mr. E. J. Dowd, Regional Property Officer, U. S. Treasury Department, 235 West 12th Street, Cincinnati. For Tennessee, he should write to Mr. John D. Thompkins, Regional Procurement Officer, U. S. Treasury Department, 10 Forsythe Street Bldg., Atlanta, Georgia.

